

1. THE NEW MEXICO MEDICAID PROGRAM WILL "PAY & CHASE" IN SITUATIONS AS REQUIRED BY THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985 (42 U.S.C. 1396a(a)(25))

A. Claims for prenatal or preventive pediatric care (including early and periodic screening and diagnosis & treatment services), based on diagnosis codes provided by HCFA.

(1) Inpatient and outpatient hospital claims and pharmacy claims are excluded from this provision and will continue to be "cost avoided".

B. Services provided to individuals on whose behalf Child Support Enforcement is being carried out by the N.M. IV-D agency, if payment for these services is not made by the third party within 30 days after the services are furnished;

(1) Failure of the third party to pay for the services within 30 days must be certified in writing with each claim submitted by the provider seeking medicaid payment.

(2) The provider must certify in writing with each claim submitted that if payment for the services being billed to Medicaid are subsequently paid by the third party, the lower of the third party payment or the Medicaid payment will be immediately refunded to the New Mexico Human Services Department.

2. METHOD USED BY THE NEW MEXICO MEDICAID PROGRAM TO DETERMINE PROVIDER COMPLIANCE WITH THE THIRD PARTY BILLING REQUIREMENTS

A. Individuals on whose behalf medical support is being enforced by Child Support Enforcement are identified to the Medicaid fiscal agent.

B. Based on information referred to in 2.A., the Medicaid fiscal agent adds a child support indicator in the recipients eligibility file. Claims filed are edited against the eligibility file. The presence of the child support indicator causes the claims to suspend for manual review for the following:

TN No. \_\_\_\_\_  
Supersedes \_\_\_\_\_  
TN No. 88-04

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_  
HCFA ID: 1076P/0019P

- (1) Is the certification form attached to the claim? If not, the claim is denied (cost avoided).
- (2) If certification form is attached it is checked to see if the 30 day requirement has been met.
- (3) If the 30 day requirement has been met and the certification is otherwise in order the claim is paid. A facsimile claim is produced for the Medicaid program to use in billing the recipients Health Insurance carrier.

### 3. THRESHOLDS

A				
STATE	DATE REC'D	DATE APP'D	DATE EFF	HCFA 179
New Mexico	5-14-90	5-3-90	5-20-90	9010

For cases in which a third party has already been identified, all claims pertinent to the type of coverage will be routinely returned to the provider for filing with the third party. For cases in which a liable third party is newly identified, the Human Services Department will not seek reimbursement for claims already filed with the Department when the amount to be recovered from the third party would be less than \$50. The Department has determined that recovery of payments made for less than this amount would not be cost effective because of the staff time, reproducing and mail costs involved. If, after a claim has been paid, the Department learns of the existence of a liable third party, it will seek reimbursement from the third party within 30 days after the end of the month in which it learned of the existence of the liable third party. Claims accumulated for a particular provider up to this point will be applied in establishing whether such collection is cost effective. Pursuant to section 3904.5 of the State Medicaid Manual, thresholds under \$100 do not require justification.

- B. In cases of potential liability, such as an accident or work-related injury, the Human Services Department may choose not to pursue tort liability when the amount to be recovered would be less than \$200. Pursuant to section 3904.5 of the State Medicaid Manual, thresholds under \$250 do not require justification.

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- C. For claims in which a liable third party has been identified, the Department will pay the amount remaining, under the Title XIX payment schedule, after the amount of the third party's liability has been established. Payment will not be withheld if third party liability or the amount of liability, the Department will pay the full amount allowed under the Title XIX payment schedule and seek reimbursement from any liable third party to limit of legal liability. In personal injury cases where liability has been established, claims related to the injury will be cost-avoided.
4. ASSURANCE THAT MEDICAID PROVIDERS FOLLOW RESTRICTIONS SPECIFIED IN 42 CFR 447.20
- A. Sanction of providers who seek payment from Medicaid recipients for balances due after payment from an insurance company when the insurance payment was at least equal to what Medicaid would have paid for the same service.
- (1) Upon determination by the Director of the Medical Assistance Division that a provider has sought payment for a service from a Medicaid recipient after receiving payment for that service from that recipient's health insurance company or other third party in an amount at least equal to the amount that Medicaid would have allowed for that same service, an amount equal to three times the amount sought from the recipient will be deducted from the provider's next Medicaid payment. This provision is included in Section 1902 of the Social Security Act (42 U.S.C. 1396a).
- B. Providers refusing to furnish services covered under the plan on account of a third party's potential liability for the service(s) are subject to termination of their provider agreement.

STATE <i>New Mexico</i>	A
DATE REC'D <i>5-14-90</i>	
DATE APP'D <i>9-5-90</i>	
DATE OF <i>5-20-90</i>	
HCFA ID <i>90-10</i>	

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Supersedes \_\_\_\_\_  
TN No. *New Page* Approval Date \_\_\_\_\_ Effective Date \_\_\_\_\_  
HCFA ID: 1076P/0019P